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The Agricultural Situation

GENERAL

Business Activity and Consumer Demand

Latest figures set the index of the general level of business at 141.2 percent of the 1947-49 average. This compares with 145.5 a month ago and 147.1 a year ago and was a continuation of the slow downward trend initiated in January.

In September, sales of 1957 model automobiles ran 20 percent ahead of last September. This sparked a slight wave of optimism in the automobile market. Weekly auto production averaged 87,474 during the month compared with 66,930 a year ago.

Steel production remained steady over the month averaging 82.3 percent of capacity. This was considerably below the 100.4 percent level of last September. The index of prices of finished steel, at 181.5, was the same as a month ago, but about 7.5 percent above last year's figure.

The cost-of-living index continued its climb in August to attain a level of 121.0 (1947-49=100) compared with 116.8 at the same time a year ago. A significant factor in the rise was the 4.8 point rise in the index of food costs which was reported at 117.9.

Personal income continued to climb in August and attained a seasonally adjusted annual rate of 347.5 billion dollars. Indications are that the figure for September will be close to 350 billion dollars.

Employment eased off slightly in August to a seasonally adjusted level of 52.8 million. Unemployment dropped 400,000 to a level of 2.6 million.

Agriculture

In the Chicago livestock market, prices of hogs and lambs in September averaged about $2.00 per cwt. above last year. Hogs brought an average of $20.40 per cwt. and lambs $25.50. Fed cattle prices registered a drop to $28.75 per cwt. from $33.25 a year ago and $29.50 a month ago.

Prices received by U. S. farmers for commercial broilers on September 15 dropped to 18.6 cents per pound from 21.0 cents per pound in August, while prices for other farm chickens and turkeys remained relatively stable. Average egg prices during the month increased from 36.3 cents per dozen to 40.0 cents per dozen.

September 1 estimates place U. S. cotton production at 12,713,000* bales, down about 600,000 bales from last year. Yields per acre are up

*The October estimate was higher in both running bales and in 500 pound gross weight bales.

to 446 pounds from 409 pounds in 1956 reflecting the increased acreage under irrigation. Cotton prices remained stable, bringing 32.97 cents per pound against 32.83 cents per pound a month ago.

The index of prices received by farmers dropped 1 percent because of lower prices for meat animals and commercial vegetables. The index of prices paid by farmers was fractionally higher than a month ago and three percent greater than a year ago. These factors set the parity ratio at 83, up one point from this time last year.

—John Franzmann

Recent Changes in Income of Farm Operators from Farming in Oklahoma

The Agricultural Marketing Service of the U.S.D.A. has recently released state estimates of income of farm operators from farming for the period 1950 through 1956. Three different estimates of income from farming were reported. These were realized gross farm income, realized net farm income and total net farm income.

Realized gross farm income represented the largest of the three estimates. It included cash receipts from the sale of farm products, government payments, value of goods produced on farms for home consumption and an imputed gross rental value of farm dwellings. Realized net farm income, the second estimate, was obtained by subtracting farm production expenses from the realized gross farm income estimates. Total net farm income, the third estimate, was the same as realized net farm income if no change occurred in the value of farm inventories. However, if inventories decreased then total net farm income was below realized net farm income by the amount of change in the value of inventories. On the other hand, if farmers added to their inventories during the year then total net farm income exceeded the realized net farm income.

The estimates of income of Oklahoma farm operators from farming are included in Table 1. The estimates for the years 1950-53 are not fully comparable with estimates for 1954-56 but any errors are likely to be small.*

Generally, the estimates indicate that farm income increased from 1950 through 1952 then decreased from 1953 through 1955. Realized gross farm income was highest in 1952 at 761 million dollars. By 1955 realized gross farm income had declined to 529 million dollars which was a decrease of about 30 percent from 1952. In 1956, realized gross farm income increased over 1955. The increase was 27 million dollars or about five percent.

Changes in realized net farm income were similar to changes in realized gross farm income. From a peak of 302 million dollars in 1952,

*Revisions of the earlier years to conform with the most recent Agricultural Census have not been made.

Table 1.—Realized Gross Income and Net Income of Farm Operators from Farming, Oklahoma 1950-56.[1]

Item	1950	1951	1952	1953	1954	1955	1956
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
Realized gross farm income:							
Cash receipts from farm marketings	562.8	635.6	684.5	562.1	436.2	472.7	498.3
Government payments	8.8	9.2	8.8	5.3	6.2	6.5	12.9
Value of home consumption	47.3	52.9	47.3	40.9	33.1	30.8	29.7
Gross rental value of farm dwellings	14.8	19.2	20.4	16.8	20.4	19.0	15.1
Total	633.7	716.8	761.0	625.1	595.9	529.0	556.0
Farm production expenses	394.8	461.1	459.1	402.2	401.8	394.3	394.1
Realized net farm income	238.9	255.8	301.9	222.9	194.1	134.7	161.8
Net change in farm inventories	4.0	42.6	—12.5	22.7	—14.8	11.0	—47.1
Total net farm income	242.9	298.3	289.3	245.6	179.3	145.6	114.8

[1]Details for individual items may not add to totals because of rounding.

Source: *The Farm Income Situation*, A.M.S., U.S.D.A., September 1957, p. 22.

realized net farm income declined about 55 percent to 135 million dollars in 1955. This resulted from significantly lower receipts but only small decreases in farm production expenses. In 1956 receipts increased over 1955 while farm production expenses remained about the same. Consequently, realized net farm income in 1956 was about 27 million dollars higher than in 1955.

Changes in total net farm income were more drastic than changes in either realized gross farm income or realized net farm income. From a peak of 298 million dollors in 1951, total net farm income declined continuously to 115 million dollars in 1956. This was a decrease of 61 percent. The decline in 1956 as compared with 1955 reflected the additional influence of unfavorable weather on the value of inventories held by Oklahoma farmers. Stated in a different way, a portion of the cash receipts of farmers in 1956 was obtained through liquidation of inventories. Therefore, both realized gross farm income and realized net farm income in 1956 overstated the net farm income position of Oklahoma farmers.

In 1956, Oklahoma ranked low among the states, both in realized net farm income per farm and in total net farm income per farm. Realized net farm income averaged $1,327 per farm in Oklahoma as compared with the U. S. average of $2,432 per farm. (Figure 1). Only in West Virginia was the average lower than in Oklahoma. Among the states immediately surrounding Oklahoma, New Mexico was highest with $3,117 per farm and Colorado was lowest with $1,838 per farm.

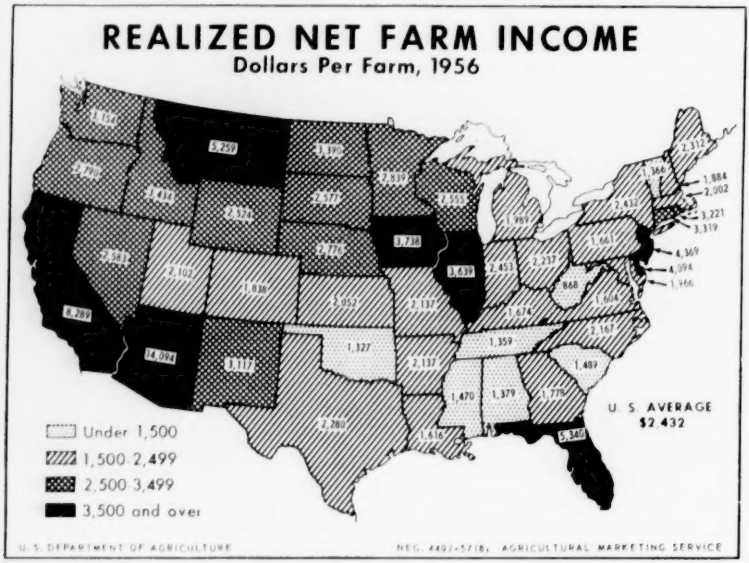

Figure 1

It is anticipated that Oklahoma realized net farm income per farm will gradually increase in 1958 and subsequent years. The continuous decline in the number of farmers should result in larger incomes per farm. Also, more favorable weather conditions and prices should contribute to larger cash receipts which in turn, should increase incomes per farm. It is possible that the increase in realized net farm income per farm may begin in 1957 even though cash receipts are lagging about three to four percent below last year. This will occur if the decrease in the number of farms is greater than the decrease in cash receipts and government payments.

—Leo Blakley

CROPS

Wheat

Production of all wheat in the United States for 1957 was estimated at 923 million bushels as of September 1. This is an increase of 8 million bushels from August 1 prospects but 17 million bushels less than the July 1 estimate. The 1957 crop would be 7 percent less than the 1956 crop and about 18 percent less than the ten-year (1946-1955) average of 1,131 million bushels. It would be the smallest wheat harvest since 1943, when the crop was 844 million bushels, and would contrast with the record crop of 1,359 million bushels in 1947.

With marketing quotas in effect, a minimum national average support price of $1.78 per bushel for the 1958 crop will be available to eligible producers in the commercial wheat states. This price reflects 75 percent of estimated transitional parity price. If a combination of wheat parity price and supply relationships as of July 1, 1958 indicates a higher support price, the minimum average support may be increased. Producers in commercial wheat states who harvest an acreage in excess of their farm allotment are not eligible for price support and are subject to marketing quota penalty on their excess wheat, if they have more than 15 acres for harvest.

A recent revision in farm law will enable producers who have a small allotment or no allotment to increase their wheat production in 1958 and following years and they will not be liable for marketing quota penalties. Public Law 85-203, August 28, 1957, permits farmers whose acreage allotments are less than 30 acres to grow up to 30 acres of wheat for use exclusively on the farm where the wheat is produced. None of the wheat is to be removed from such farm except that it may be cleaned or processed off the farm and then returned to the farm for use as seed, human food, or livestock feed (including poultry) on the farm. None of the crop can be sold or exchanged for goods or services, and none will be eligible for price support.

To be eligible to grow up to 30 acres without penalty, producers must sign an application showing the intended disposition of the wheat and submit it to the county Agricultural Stabilization and Conservation

committees for approval. An application may be cancelled at any time at the producer's request but marketing quota provisions will then apply. Producers who participate in this program for the 1958 crop of wheat will not be eligible to vote in a referendum on 1959 wheat marketing quotas, if quotas are proclaimed.

—Nellis A. Briscoe

Cotton

Production of cotton in the United States was estimated (October 1) at approximately 12,401,000 bales of 500 pounds gross weight. This is approximate 0.9 million bales smaller than the 1956 crop, and would be the smallest output since the 1950 crop of 9.9 million bales. Oklahoma's production of cotton has been estimated at 330,000 bales. This compares with 261,000 bales in 1956 and a 10 year average (1946-55) production of 374,000 bales.

The acreage for harvest in the United States was estimated at about 13,686,000 acres, the smallest since 1878 when 13.5 million acres were harvested. Oklahoma's acreage for harvest was estimated at 575,000 acres, compared with 715,000 acres harvested in 1956. The Agricultural Stabilization and Conservation office reported that 201,226 acres of cotton land in Oklahoma were put in the Soil Bank program for this year.

The average cotton yield per harvested acre in the United States was estimated at 435 pounds. This would be a record high and compares with the previous high of 417 pounds in 1955 and 409 pounds in 1956. Record high yields have been forecast for Texas, Arizona, and California. Prospects for increased lint yield per acre over the 1956 yield are very favorable for Oklahoma. Lint yield per acre was estimated at 275 pounds which was up sharply from both the 1955 yield of 175 pounds and the 10 year average (1946-1955) yield of 170 pounds. Because of the lateness of this year's crop, final yield depends to a greater extent than usual on late season growing conditions. An early frost could very well reduce the final yields.

When the yields for the United States were compared by areas, the yield in the West was higher than in any other region. In both the West and the Southwest record high yields were estimated. The average yields in both the Delta and Southeast were increased from last year but were below the record highs of 1955.

The total cotton supply is now estimated at about 23.9 million bales which would be about 3.7 million bales smaller than the record high supply of 27.6 million bales for the preceding season.

Even though domestic mill consumption and exports are expected to decline more than two million bales for the current season, the estimated carryover will be less than 10 million bales on August 1, 1958. This would be the smallest carryover since 1954. This carryover would be about 70 percent of the expected disappearance for the 1957-58 season.

—William E. Cathcart

FEED

Total Supplies

Supplies of feed grains for 1957-58 will be the highest on record based on indications in early September. The estimated feed concentrate supply, including by-product feeds and imported grains, totaled about 210 million tons, 10 million tons above last year's record. The prospective 1957 (Figure 2) production of 135 million tons is a little larger than in the past two years. In addition, the carry-over in 1957-1958 is expected to be about 48 million tons, 43 million tons higher than last year.

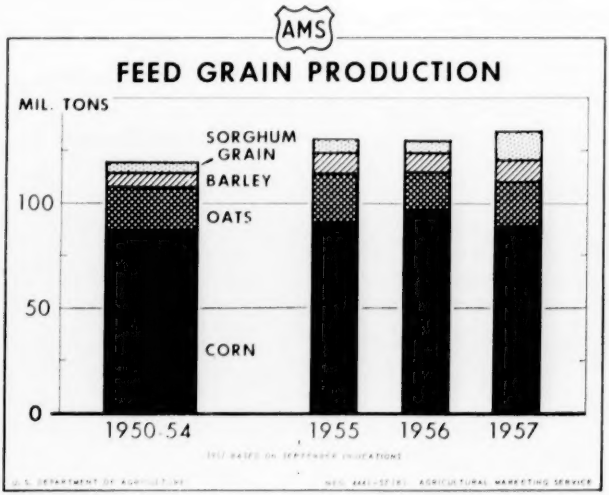

Figure 2

Corn

September estimates indicate the 1957 corn crop at 3,195 million bushels, seven percent smaller than last year's large crop. Corn production is expected to be above the 1950-1954 average despite the reduction of five percent in acreage for harvest from 1956. The Oklahoma corn crop is estimated at 3,998,000 bushels compared with 5,296,000 bushels last year. The indicated yield per acre in Oklahoma is 19.5 bushels, 3.0 bushels more than last year.

On the national level, a record carry-over of about 1.4 billion bushels is in prospect on October 1, 1957. This will increase total supply to about 4.6 billion bushels, nearly equal to the record supply in 1956-1957. The 1957-1958 supply is fully adequate to fill all prospective require-

ments for the coming year and leave another big carry-over into 1958-1959.

Grain Sorghums

The most striking feature of the feed situation is the tremendously increased production of grain sorghums. Total U. S. output of grain sorghums is estimated at 481 million bushels. This estimate is two and one-third times the crop of last year and is three times the past 10-year average. Production is expected to be more than double the previous record output of 1955. The average yield per harvested acre for grain sorghums was estimated in September at 26.7 bushels, approximately 40 percent above the 1946-1955 average. The large crop, together with a prospective near-record carry-over, would bring the total supply to about 556 million bushels. This would exceed the previous record by more than 200 million bushels.

Oklahoma grain sorghum production is estimated at 14,880,000 bushels, considerably above the 6,146,000 bushel crop of last year. Production is also well above the 1946-1955 average of 9,842,000 bushels.

Oats and Barley

The 1957 oats crop of 1,338 million bushels is four percent larger than the 1950-1954 average. The 1957-1958 oats supply is now estimated at 1,596 million bushels, five percent above last year, but 213 million bushels below the record of 1955.

The barley supply is estimated at 584 million bushels, more than 50 percent above the 1950-1954 average. The 1957 crop of 431 million bushels was nearly 150 million bushels above the 1950-1954 average. Thus, a record carry-over is likely at the close of the marketing season.

Other Feeds

A record crop of nearly 120 million tons of hay is expected for 1957. The total hay supply for 1957-1958 is estimated in September at 137 million tons, 12 million tons above 1956 and the largest on record both in tonnage and per roughage-consuming animal unit.

Production of all hay in Oklahoma is estimated at 1,726,000 tons compared with 1,232,000 tons last year. The alfalfa hay crop in Oklahoma is estimated at 676,000 tons against 483,000 tons in 1956.

Pasture conditions over the country averaged 74 percent of normal on September 1. In Oklahoma pastures are generally good, but weedy. Heavy growth of small grains is expected to supply good pasture in many areas of the State.

Prices

Prices of corn, grain sorghums, oats and barley have been lower the past summer than during the same period of 1956. Corn prices are ex-

pected to drop further with the harvesting of the 1957 crop. As compared with a year earlier, the mid-August average price received by farmers was 15 percent lower for oats, 14 percent lower for barley and 23 percent lower for grain sorghums.

The index of prices of eleven major high-protein feeds in August was approximately two percent lower than a year ago. However, prices of several protein feeds have been considerably lower than last year.

—Luther Tweeten

LIVESTOCK AND LIVESTOCK PRODUCTS

Beef Cattle

Higher Prices Expected

Higher average prices are expected for cattle in 1958. With consumer incomes and employment remaining high next year, prices to livestock producers may be expected to retain this year's gain. In addition, the decrease in the number of cattle slaughtered and the recent decline in cattle numbers on farms should help nudge cattle prices to a higher level.

In 1958, cattle numbers on farms are likely to continue below the 1956 level. The 1957 calf crop is down two percent from last year. However, the present downtrend in the number of cattle on farms should quickly end and a new expansion should take place.

The number of cattle slaughtered is likely to be smaller in 1958 than in 1957. Fewer cattle will be on hand and producers may begin to reduce marketings in preparation for a new build-up of herds. However, an unforeseen situation such as a sharp economic recession or a new drought could increase the slaughter rate. A recurrence of dry weather would stimulate marketings because range forage has not attained its normal vigor and could deteriorate quickly. In addition, many producers have not yet restored their financial reserves and could not survive a new disaster.

Prices of feeder cattle should stay above 1956 prices and prices of fed cattle should be more stable. The price advance has been influenced by improved grazing conditions. Stocker demand is strong, and with grazing still good in most range areas, the movement to feedlots is expected to be later than usual. An additional factor affecting feeder demand has been the continuing prospect of an abundant feed harvest. If prospects continue favorable for corn and grain sorghums, prices of feeder cattle will show only a small seasonal decline this year.

Three differences exist in the feeding situation this year compared with 1955 when fed cattle prices broke severely. First, it appears that the

fed cattle are being finished at lighter weights. Cattle were held to heavy weights in the fall of 1955, and the big supply of very heavy cattle overloaded the market. Sharp price discounts occurred for extreme weights. Second, placements of cattle on feed this summer and early fall are expected to be down from 1956 and not much above 1955. It will be late fall before shipments of cattle to feedlots will reach levels of earlier years. Third, the supply of grass cattle for slaughter will be down from last autumn when it was extremely large. These differences will help support prices of fed cattle during the next three months.

1957-58 Feeding to be Large

Feeding for the coming season will get underway later than usual as feeder stock will be held longer on the good pastures and ranges. Total volume will again be large, especially if feed crops are as large as indicated in early September. Many of the feeder steers and heifers sold directly off the range will be heavier than usual. These animals may reuire fast feeding and early marketing if excessive weights of slaughter animals are to be avoided. However, discounts for weights are usually less when the supply of cattle is decreasing than when it is increasing.

Average profits in feeding appear possible at early August feeder prices. This assumes that consumer demand for beef will continue strong and that range conditions are favorable for a buildup in inventories.

—**Paul Andrilenas**

Dairy

United States milk production for the period January through August, 1957 was 88.9 billion pounds. This was one percent more than in the same period of 1956 and about seven percent more than the 10 year average. The number of dairy cows on farms June 1, 1957 was one percent less than the number June 1, 1956 and was the lowest in 27 years.

In August, Oklahoma milk production was 139 million pounds compared with 149 million pounds in August a year ago. The drop in milk production relative to a year ago began with the floods last spring and has continued up to the present time. Most of the decline was in milk produced for the butterfat and the manufacturing milk markets. Production for the fluid milk market in 1957 has remained about the same as in 1956.

In the Metropolitan Milk Marketing Area, which includes most of the major fluid markets in Oklahoma, producer receipts were about 34.7 million pounds in August. Of this amount, 20.6 percent was used for Class II manufacturing purposes. There were 2641 producers delivering milk and the daily receipts averaged 424 pounds per farm. About 20 percent of the producers used bulk tank cooling and handling facilities and delivered about 31 percent of the total market supply of

milk. These producers were larger than the average and delivered 658 pounds per day as compared with the other producers who delivered 365 pounds per day.

The trend toward complete mechanization of fluid milk production is continuing in Oklahoma. Every important market in the State is now receiving some bulk transported milk from producers.* However, mechanization has been slower in Oklahoma than in some nearby markets. In North Texas, over one-half of the fluid milk has been bulk cooled and the average daily delivery per farm has been over 1,000 pounds. In the Wichita, Kansas market 70 percent of the producers used bulk tank cooling and delivered 82 percent of all milk.

Handlers prefer the bulk milk delivering method because the milk has a more uniform quality and the cost of receiving may be reduced. However, during the transition period, dual receiving rooms increase plant costs. Two plants have recently closed down can receiving and washing rooms and two more plants are expecting to do this during the next few months.

Fall is base setting time in most Oklahoma markets. In the Metropolitan Milk Marketing Area, the base setting months are September through December. It appears that recent trends toward larger bases will be slowed down this year.

—**A. W. Jacob**

Hogs

United States

The number of sows farrowed and to farrow in the fall of 1957 for 10 cornbelt states totaled 1,844,000 head, four percent larger than in the fall of 1956.** This represents an increase of one percent from the June 1 farrowing intentions. This increase, coupled with an announced intention by producers in these 10 states to increase farrowing for December-February by seven percent, indicates the immediate response to favorable hog prices in 1957. If this increase in production is moderate, it would bring only moderate price decreases in 1958, but a larger expansion likely would bring a severe price decline.

Hog slaughter is expected to continue below last year's rate until late this year when it is expected to rise above 1956 offerings. It is likely that this increased slaughter will continue in 1958.

Hog prices received by U. S. farmers averaged $19.10 per cwt. on September 15, a decline of 90 cents from the seasonal high recorded in

*A total of 919 producers were using bulk tanks in August, 1957. This was about one producer for each four to five Grade A milk producers. For information on the location of these producers, see A. W. Jacob, "A Survey of Bulk Handling and Transporting of Grade A Milk, Extension Service, O.S.U. Stillwater, Oklahoma.

**_Pig Crop Report_, AMS, U.S.D.A., September, 1957. The 10 states are: Ohio, Indiana, Wisconsin, Minnesota, Iowa, Missouri, South Dakota, Nebraska, and Kansas.

mid-August. Prices for hogs will decline during the next two or three months as marketings build up from the summertime low. Hog prices, although declining seasonally, likely will continue above previous year levels through the fall, but may be below previous year levels early in 1958.

The hog-corn price ratio was 16.26 on August 15 and rose to 16.61 on September 15 as corn prices decreased relative to hog prices.

Oklahoma

Farrowing estimates for Oklahoma comparable with the 10 state September report are not available. Since Oklahoma producers are faced with a relatively less favorable hog-corn price ratio, it appears that fall and winter farrowings will increase but the increase may not be as large as for the U. S.

Seasonally, hog slaughter will increase during the next four months and prices should decline. Fall hogs probably will be fed to weights at least as heavy as last fall.

Hog prices in Oklahoma averaged $19.80 per cwt. as of September 15. This represented a drop of 70 cents from August 15, but was still above the $15.40 per cwt. level a year ago.

The hog-corn ratio rose from 14.85 in August to 16.23 in September, primarily because of a drop in the price of corn. This compares with a ratio of 11.00 on September 15, 1956.

—**Fred Mangum and Kenneth B. Boggs**

Poultry

Hens on farms July 1, August 1, and September 1, have been below the same months in 1956. Although the decline was slight (1, 2, and 4 million hens, respectively) numbers are expected to continue downward throughout the fall of 1957. The number of layers on farms January 1, 1958, is expected to be only five per cent less than the 339 million head on farms, January 1, 1957. Chickens raised for replacements are estimated at 18 per cent less than in the previous year. However, producers purchased a large proportion of sexed pullets and the improvement in egg prices during the last two months will encourage producers to keep more pullets raised and to keep more of the mature layers for a second year. The rate of lay per bird likely will continue its year-to-year increase. These combined forces will result in about a 2 to 3 percent reduction in the quantity of eggs supplied. Thus, per capita consumption of eggs should decrease in 1958 and prices should improve.

Egg prices increased to a secondary peak during the summer months. This price movement was similar to the 1955 price movement. Wholesale prices at the large terminal markets advanced throughout July, August and the first 20 days of September. During late September and early

October, egg prices weakened and October prices may average slightly below September prices. Prices should increase seasonally during November, December and January and reach a peak early in February. After February, prices should decrease as the industry moves into peak production. However, egg prices are expected to continue well above the 1957 level throughout the first nine months of 1958. There will be no marked seasonal price increase during the last quarter of 1958 since favorable prices in the early months of 1958 will encourage early placement of pullets in laying houses.

Broiler prices in the large commercial area of northwest Arkansas reached a low of 14 cents during the last 10 days of September. The decline from the 20-21 cent level of May, June and July began during late August and reached the 14 cent low on September 25. The decline was preceeded by an increase in chick placements of 16 percent during June, 7 percent in July, and 11 percent in August over the same months in 1956. In the three months prior to June, placements were no greater than 4 percent over the same months the year before.

Chick placements may decline sharply as a result of very unfavorable price relationships but prices are not expected to make much improvement until demand increases seasonally during the second quarter of 1958. However, price-supply relationships are not the best indicators of changes in production because of the contractual arrangement that producers have with financiers.

Turkey producers will be marketing the largest number of birds on record this fall. Turkeys raised are estimated at 80.6 million compared with 76.9 million in 1956. All of the increase has resulted from an increase in the heavy breeds of 4.1 million, since light breeds declined 0.4 million. The present low level of prices of 20-22 cents is not likely to improve although demand will increase seasonally. Civilian consumption will be up to about 5.8 pounds per person (ready-to-cook basis) compared with 5.1 pounds in 1956. About one-tenth of this supply (about 100 million pounds) is already in storage.

—**K. C. Davis**

Sheep, Lambs and Wool

United States

The improved prospects for a large feed harvest this year with the resulting high demand for feeder lambs has been a major factor in the higher prices for lambs through the early fall months. Prices received by producers for lambs may be expected to retain this year's gain through at least the first half of 1958.*

Feeder operators in the corn belt states continued to receive the

**The Livestock and Meat Situation*, A.M.S., U.S.D.A., Aug. 1957.

majority of feeder lambs in August and September with Ogden, Utah being the leading shipping point in August.

Average prices received by U. S. producers for shorn wool declined slightly in the past two months. However, the monthly averages for the current wool marketing year have ranged from 5.6 to 11.1 cents below the incentive level as compared with 17.7 cents below the incentive level last year. Thus, farmers can continue to expect a higher price for their wool than for the corresponding period last year.

Oklahoma

Oklahoma farmers should be cautioned against hasty decisions in the purchasing of feeder lambs for small grain grazing or dry lot feeding this fall and winter. The supply of good feeders is scarce, resulting in correspondingly higher prices. Prospects for the finished fat lamb market appear to be good, but profits will be relatively small. Any price margin will be small or perhaps negative in some cases. Buying at the proper time continues to be a factor that calls for a well-planned management decision.

Farmers studying the possibility of replacing ewes or making an initial purchase of western yearling ewes next spring should begin to act now. If the present good feed prospects continue into the new year, good western yearling ewes will be hard to obtain next spring.

Prices received for lambs on the Oklahoma City market have recently staged a comeback from the late season slump. Prices continue to be $1.00 or more higher than at this time last year.

Wool prices received by Oklahoma farmers were approximately 15 cents higher in September of this year than for the same month last year. The incentive payment level for wool in 1957 will continue to be 62 cents per pound, or 106 percent of parity. This means that farmers should continue to market their wool for the highest possible prices since the resulting incentive payments will be higher.** Also, farmers should file an application with the County A.S.C. office if they expect to receive an incentive payment.

The Oklahoma Crop and Livestock Reporting Service has recently released current figures for sheep and lambs on Oklahoma farms and ranches. The January 1, 1957 estimate was 243,000 head of sheep and lambs as compared with 257,000 head for the 1956 estimate. The drought conditions in 1956 obviously contributed to this decrease. If present feed and grazing prospects materialize, the January 1 estimate for the coming year may reflect a significant increase in this figure.

NOTE: In the August 1957 issue of this publication, the special article "Seasonal Variation and Differentials in the Price of Spring Lambs and Lambs," included two charts which were not correct. See the errata on page 113.

—**Daniel D. Badger**

**For a further discussion of this point, see the special article titled "The U. S. Wool Marketing Program" in the April, 1955 issue of Oklahoma Current Farm Economics.

ERRATA

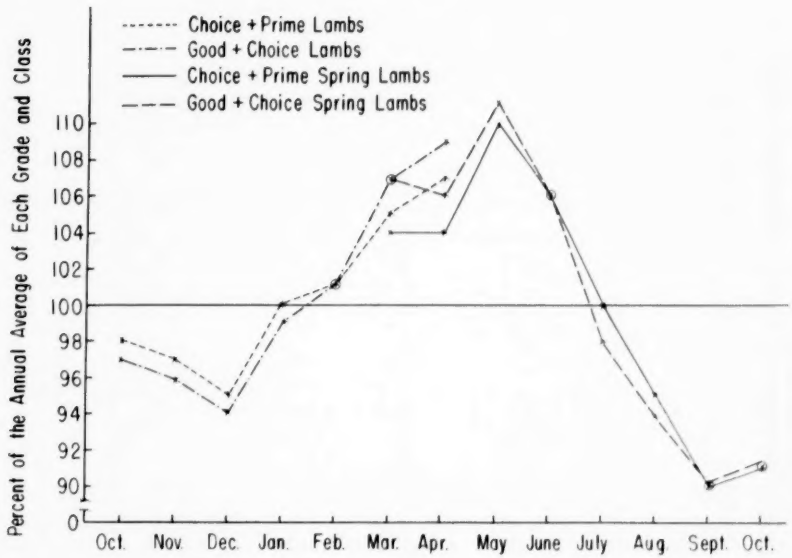

Figure 2. Normal index of seasonal variation for two grades of lambs and spring lambs, Oklahoma City market, based on the 10-year period 1947-56 (choice and prime lambs based on 9-year period 1947-48 to 1955-56). There is a significant seasonal price movement associated with the above grades and classes. The pattern of movement is similar for the two grades of each class, although there is slightly more variation in the lower (good and choice) grade of each class.

In the August, 1957, Current Farm Economics, the figures in Daniel D. Badger's special article entitled, Seasonal Variation and Differentials in the Prices of Spring Lambs and Lambs, were reversed. The chart shown as Figure 3 should have appeared with the caption for Figure 2 and the chart shown as Figure 2 should have appeared with the caption for Figure 3. The figures are shown with their correct captions on this page and the following page.

Also, the first footnote in Table 5 and in Table 6 should read:

*Choice and prime grade includes all lambs or spring lambs sold as prime and the top one-half of those quoted as choice. Good and choice includes all the good grade and the bottom one-half of the choice grade.

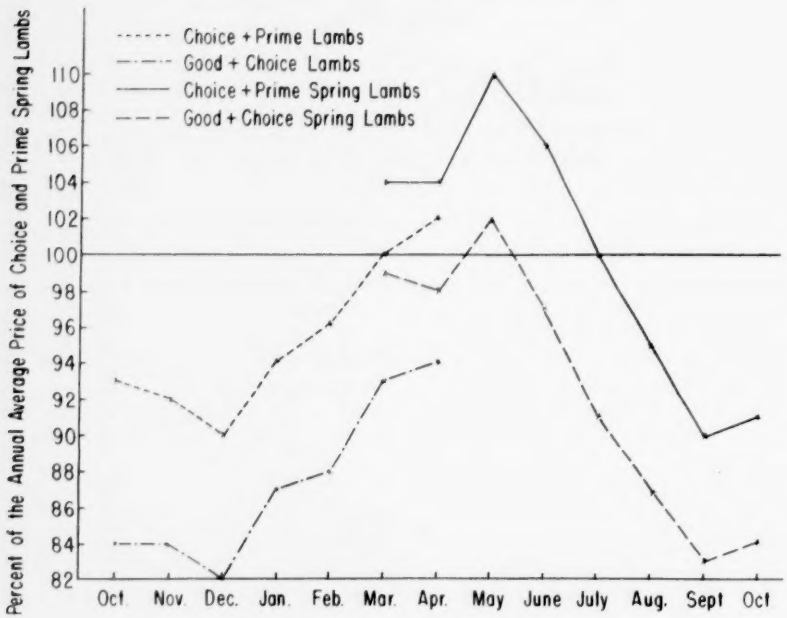

Figure 3. Seasonal variation by class and grade with choice and prime spring lambs, as the base grade and the other three grades expressed as a percentage of the base grade. The significant seasonal price movement is shown for the four classes, as well as the relationship between the two grades and four classes. There is more variation in spring lamb prices than in lamb prices.

Table 1.—Prices Received by Farmers for Oklahoma Farm Products.
(Dollars)

		Wheat	Corn	Oats	Barley	Rye	Grain sorghum	Cotton-lint	Cotton-seed	Sweet potatoes	Soybeans	Peanuts	Alfalfa seed
1955		2.09	1.41	.75	.98	1.10	1.14	.295	52.33	2.75***	2.20	.116	14.25
1956		2.00	1.39	.74	.94	1.12	1.13	.286	50.67	2.80***	2.21	.111	11.60
	Sept.	1.98	1.40	.77	.96	1.21	1.18	.280	52.00	3.00	2.00	.105	12.00
	Oct.	2.02	1.40	.80	1.02	1.25	1.20	.285	55.00	3.10	1.95	.115	12.24
	Nov.	2.07	1.40	.88	1.10	1.25	1.26	.274	60.00	2.80	2.10	.110	12.60
	Dec.	2.08	1.41	.91	1.14	1.29	1.26	.265	63.00	2.90	2.15	.106	12.60
1957	Jan.	2.08	1.45	.91	1.14	1.25	1.26	.262	63.00	3.20	2.20	.108	12.90
	Feb.	2.04	1.41	.91	1.14	1.16	1.23	.270	61.00	2.90	2.20	.110	12.84
	Mar.	2.08	1.39	.89	1.10	1.15	1.22	.285	59.00	2.85	2.20	.110	13.50
	Apr.	2.05	1.40	.84	1.04	1.13	1.19	.288	* *	* *	2.20	.110	12.90
	May	1.95	1.42	.78	.98	1.08	1.13	.284	* *	* *	2.20	.110	12.30
	June	1.89	1.38	.63	.78	.95	1.08	.284	* *	* *	2.15	.110	**
	July	1.92	1.41	.62	.75	.94	1.06	.287	* *	* *	2.20	.110	**
	Aug.	1.88	1.38	.64	.77	.99	1.02	.285	51.00	2.75	2.20	.110	12.72
	Sept.	1.87	1.22	.68	.78	1.06	.89	.296	53.00	2.90	2.10	.110	12.72

		All hay	Alfalfa hay	Wild hay	Cattle	Calves	Sheep	Lambs	Hogs	Wholesale milk	Butterfat	All chickens	Eggs	Turkeys
1955		22.92	26.90	18.19	14.09*	16.62*	5.59*	18.42*	16.08*	4.42*	.52	.215*	.332	.258
1956		23.93	28.92	19.09	13.32	15.97	5.11	18.71	14.44	4.52	.52	.174	.332	.247
	Sept.	26.20	32.00	21.00	13.00	15.50	4.50	18.30	15.40	4.60	.52	.154	.350	.240
	Oct.	29.80	36.50	25.00	12.20	15.00	4.50	17.60	15.10	4.75	.52	.150	.310	.240
	Nov.	31.10	37.50	26.80	12.30	15.00	5.00	17.10	14.20	4.85	.53	.155	.317	.240
	Dec.	31.60	38.50	27.50	12.50	15.00	5.00	16.80	15.80	4.80	.53	.148	.350	.250
1957	Jan.	31.70	38.00	28.00	13.30	15.80	6.00	17.40	16.70	4.70	.52	.152	.320	.240
	Feb.	32.00	38.50	28.00	14.00	16.10	6.00	17.80	16.50	4.55	.52	.164	.285	.230
	Mar.	27.70	36.00	25.00	14.50	16.50	6.50	19.30	16.70	4.30	.52	.163	.240	.230
	Apr.	25.50	32.50	22.50	15.70	17.50	6.50	20.70	17.40	4.15	.52	.162	.245	.230
	May	21.80	25.80	20.10	15.80	17.30	5.90	21.00	17.60	3.95*	.52	.165	.247	.230
	June	18.60	21.20	18.40	15.90	17.40	6.00	19.90	18.70	4.10	.51	.163	.243	.220
	July	19.10	23.00	16.50	16.40	17.70	6.40	19.50	19.30	4.20*	.51	.160	.248	.220
	Aug.	20.20	25.00	16.50	16.50	18.40	7.00	20.20	20.50	4.40	.51	.152	.283	.220
	Sept.	19.80	25.00	15.60	16.20	17.90	7.50	19.40	19.80	4.75	.52	.147	.337	.220

SOURCE: *Prices Received by Farmers*, Agricultural Marketing Service, U.S.D.A., Oklahoma City, Oklahoma, Monthly Releases or *Agricultural Prices*, A.M.S., U.S.D.A., Washington, D. C.
* Revised. ** Data not available. *** 9 months average.

Table 2.—Index Numbers of Prices Received by Farmers for Oklahoma Farm Products.[1]

(Percent of 1910-14 Average)

		Wheat	Corn	Oats	Barley	Rye	Grain sorghums	Cotton-lint	Cotton-seed	Sweet potatoes	Tame hay
1955		244	217	166	167	128	168	268	267	223***	260
1956		233	214	165	159	130	166	253	259	227***	271
	Sept.	230	215	171	163	141	173	248	266	244	297
	Oct.	235	215	178	173	145	176	252	281	252	338
	Nov.	241	215	196	187	145	185	242	307	228	353
	Dec.	242	217	202	194	151	185	235	322	236	358
1957	Jan.	242	223	202	194	145	185	232	322	260	359
	Feb.	237	217	202	194	135	181	239	312	236	363
	Mar.	242	214	198	187	134	179	252	301	232	314
	Apr.	238	215	187	176	132	175	255	* *	* *	289
	May	227	218	173	166	125	166	251	* *	* *	247
	June	220	212	140	132	111	159	251	* *	* *	211
	July	223	217	138	127	110	156	254	* *	* *	217
	Aug.	219	212	142	131	115	150	252	261	224	229
	Sept.	217	188	151	132	123	131	262	271	236	224

		Cattle	Calves	Sheep	Lambs	Hogs	Wholesale milk	Butterfat	All chickens	Eggs
1955		292*	278*	122*	316*	228*	229	221	229*	186
1956		276	268	110	321	205	234	224	185	187
	Sept.	269	260	97	314	219	238	222	164	197
	Oct.	253	251	97	302	214	246	222	160	174
	Nov.	255	251	108	293	202	251	226	165	178
	Dec.	259	251	108	288	224	249	226	157	197
1957	Jan.	275	265	130	299	237	243	222	162	180
	Feb.	290	270	130	305	234	236	222	174	160
	Mar.	300	276	141	331	237	223	222	173	135
	Apr.	325	293	141	355	247	215	222	172	138
	May	327	290	127	360	250	205*	222	176	139
	June	329	291	130	341	266	212	218	173	137
	July	340	296	138	334	274	218*	218	170	139
	Aug.	342	308	151	347	291	228	218	162	159
	Sept.	335	300	162	333	281	246	222	156	189

SOURCE: Compiled by Dept. of Agri. Econ., Oklahoma State University, from data supplied by Agricultural Marketing Service, U.S.D.A., Oklahoma City, Oklahoma and Washington, D. C.
For previous years, see Oklahoma Agri. Exp. Sta. Bul. 238, *Oklahoma Farm Price Statistics* and *Current Farm Economics*, Okla. Expt. Sta. series 49, Vol. 13, Nos. 1 and 2, Feb.-Apr., 1940. Tables 16-19, and subsequent issues.

[1] For the index of purchasing power of a unit of an individual commodity in terms of commodities used in farm production and family living, divide the index of price received by Oklahoma farmers (in this table) by the index of prices paid by United States farmers (in Table 4) for the same month and multiply by 100.

* Revised. ** Data not available. *** 9 months average.

Table 3.—Price Indexes of Groups of Oklahoma Farm Products.
(Percent of 1910-14 Average)

		All commodities	Total crops	Grain	Cotton & cottonseed	Misc. crops	Total livestock and L. S. products	Meat animals	Dairy products	Chickens and eggs
1955		253	255	233	268	237	250	274*	224*	198*
1956		241	243	224	254	247	237	256	228	186
	Sept.	240	241	223	250	284	237	255	228	188
	Oct.	240	246	227	255	317	226	242	230	170
	Nov.	239	245	233	249	322	226	240	235	175
	Dec.	240	242	234	244	328	234	249	234	186
1957	Jan.	241	241	235	241	335	240	264	229	175
	Feb.	243	243	231	246	332	243	273	227	164
	Mar.	248	250	233	257	294	245	282	222	145
	Apr.	237	229	230	229	219	256	302	211	147
	May	233	223	220	225	187	258	304	216*	149
	June	231	219	212	225	159	260	309	216	147
	July	235	222	215	228	164	267	319	218*	148
	Aug.	248	238	211	253	228	274	326	221	160
	Sept.	252	242	207	263	227	275	318	230	180

Purchasing Power Indexes[1] of Groups of Oklahoma Farm Products
(Percent of 1910-14 Average)

		All commodities	Total crops	Grain	Cotton & cottonseed	Misc. crops	Total livestock and L. S. products	Meat animals	Dairy products	Chickens and eggs
1955		89	89	82	94	83	87	96	78	69*
1956		84	84	78	88	85	82	89	79	65
	Sept.	82	83	77*	86	98*	81	88*	78	65*
	Oct.	82	85	78	88	109	78	83	79	58
	Nov.	81	83	79	85	110	77	82	80	60
	Dec.	81	82	79	83	111	79	84	79	63
1957	Jan.	82	82	80	82	114	81	89	78	59
	Feb.	82	82	78	83	112	82	92	76	55
	Mar.	84	84	78	87	99	82	95	75	49
	Apr.	80	77	77	77	73	86	101	71	49
	May	78	75	74	75	63	86	102	72*	50
	June	77	73	71	75	53	87	103	72	49
	July	79	74	72	77	55	90	107	73*	50
	Aug.	83	80	71	85	77	92	109	74	54
	Sept.	84	81	69	88	76	92	106	77	60

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma State University, from data supplied by Agricultural Marketing Service, U.S.D.A., Oklahoma City, Oklahoma, and Washington, D. C.

[1] The ratio of prices received by farmers to prices paid by farmers for commodities used in farm living and production. For individual commoditie see footnote 1 of Table 2.

* Revised.

Table 4.—Index Numbers in the United States, Index of Demand Deposits in Oklahoma, and Oklahoma Price Ratios.

		United States index numbers of:				Index of demand deposits in Oklahoma[2 3] (1923-25=100)	Oklahoma price ratios[4]			
		Prices received by farmers (1910-14=100)	Prices paid by farmers (1910-14=100)	Wholesale prices (1910-14=100)	Factory payrolls[1] (1947-49=100)		Hog corn	Egg feed	Turkey feed	Milk feed
1952		288	288	250	136.6*	293.2	10.20	8.9	7.0	1.533*
1953		258	284	247	151.4*	289.3	14.04*	11.2	7.6	1.520
1954		250	286	247	137.7*	289.3	15.15	8.6	7.4	1.479*
1955		236*	286	248	152.5*	291.3	11.43	9.5	7.4	1.600*
1956		236	289	256	161.3	297.4	10.35	9.7	7.2	1.680
	Sept.	236	291*	258	166.7*	301.1	11.00	10.1	6.9	1.687
	Oct.	234	291	258	169.0*	301.6	10.79	8.9	6.9	1.740
	Nov.	234	294	261	168.2*	303.2	10.14	8.9	6.8	1.708
	Dec.	237	295	261	171.4*	300.1	11.21	9.8	7.0	1.653
1957	Jan.	238	295	263	165.5*	300.5	11.52	8.9	6.7	1.607
	Feb.	234	297	263	165.0*	288.0	11.70	8.1	6.5	1.567
	Mar.	238	297	263	164.3	284.6	12.01	6.8	6.5	1.499
	Apr.	242	298	263	161.5	290.1	12.43	6.9	6.5	1.467
	May	243	299	263	161.0*	286.3	12.39	7.2	6.7	1.441*
	June	244	299	263	163.8*	287.2	13.55	7.4	6.7	1.617
	July	247	298	265	160.4	295.3	13.69	7.5	6.6	1.653*
	Aug.	248	298	265	-----	292.7	14.86	8.6	6.7	1.740
	Sept.	245	299	265	-----	-----	16.23	10.4	6.8	1.925

SOURCE: Indexes of U. S. prices received and prices paid by farmers and indexes of U. S. wholesale prices, from *Agricultural Prices*, A.M.S., U.S.D.A., Washington, D. C. Indexes of demand deposits in Oklahoma, calculated by Dept. Agri. Econ., Okla. Agri. Exp. Sta. from data furnished by Federal Reserve Board, Washington, D. C. Indexes of factory payrolls, from U. S. Department of Labor, Bureau of Labor Statistics, Washington, D. C.

[1] Unadjusted for seasonal variation.

[2] Demand deposits of Oklahoma member banks of the Federal Reserve System located in places under 15,000 population.

[3] Index numbers based on net demand deposits prior to 1936 and upon gross demand deposits since that date. For a discussion of this index see CURRENT FARM ECONOMICS, Oklahoma Agricultural Experiment Station Series 49, Vol. 13, Nos. 1 and 2, Feb.-Apr., 1940. p. 41.

[4] The number of bushels of corn or pounds of feed which one unit of the commodity (100 pounds of hogs, one dozen eggs, one pound of turkeys or milk) will purchase. Prices used are the official A.M.S. estimates of prices received by Oklahoma farmers except for commercial feeds or ingredients which are official A.M.S. estimates of prices paid by Oklahoma farmers. These ratios are computed on the basis of fixed rations and are not directly comparable with ratios computed from other rations. The composition of each ration used is available upon request.

*Revised

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